

**Push Dr Limited**

**Report and Financial  
Statements**

30 July 2018

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## Company Information

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### Directors

E Ozagir [Resigned on 3rd August 2018]  
M Elcock  
D T Bradley [Resigned on 25<sup>th</sup> October 2019]  
V K Gulati  
S J Given [Resigned on 27th September 2019]  
L A Strafford  
C Ackroyd [Appointed on 25<sup>th</sup> October 2019]  
W Shaifta [Appointed on 25<sup>th</sup> October 2019]  
R Lincoln [Appointed on 25<sup>th</sup> October 2019]

### Auditors

Ernst & Young LLP  
2 St Peter's Square  
Manchester  
M2 3EY

### Bankers

Silicon Valley Bank  
Alphabeta  
14-18 Finsbury Square  
London  
EC2A 1BR

The Royal Bank of Scotland  
2 Canute Square  
Knutsford  
WA16 6BJ

### Solicitors

Hill Dickinson LLP  
50 Fountain Street  
Manchester  
M2 2AS

### Registered Office

1<sup>st</sup> Floor, Arkwright House  
Parsonage Gardens  
Manchester  
M3 2LF  
United Kingdom

# Directors' Report

*for the period ended 30 July 2018*

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The directors present their report and the audited financial statements of the Company for the financial period ended 30 July 2018.

This directors' report has been prepared in accordance with the provisions applicable to companies' subject to the small companies regime, and as such a separate strategic report is not required.

## Directors

The directors who held office during the period were as follows;

E Ozagir [Resigned on 3rd August 2018]  
M Elcock  
D T Bradley [Resigned on 25<sup>th</sup> October 2019]  
V K Gulati  
S J Given [Resigned on 27th September 2019]  
L A Strafford  
C Ackroyd [Appointed on 25<sup>th</sup> October 2019]  
W Shaifta [Appointed on 25<sup>th</sup> October 2019]  
R Lincoln [Appointed on 25<sup>th</sup> October 2019]

## Principal Activity

The principal activity of the Company is connecting customers to digital primary healthcare services through the Company's network of practitioners.

## Change of Accounting Reference Date

The year end of the company was amended on 25 April 2019 from 31 July to 30 July.

## Business Review

As shown on page 9, the company made a loss for the period of £12,236,529 (2017: Loss of £5,730,405). The business continued to deliver strong volume growth in both appointments and new customers acquired through the period and successfully implemented new strategies to further grow revenues and increase margins.

The business continued to invest in new marketing initiatives to promote consumer awareness of the Company's brand; where these initiatives have continued to scale in both outreach and customer volumes.

The business entered into a partnership with the NHS and is recognised on the NHS procurement list.

Subsequent to the year end the Company has entered into several strategic contracts that will continue to see growth in the business in the coming years.

## Principal Risks and Uncertainties

### *Liquidity Risk*

Exposure to liquidity and cash flow risk affects the Company. These risks are managed by accurate forward forecasting of the cash requirements and planning in advance the future funding rounds held by the Company, but are reliant on the continued support of the investors.

## Directors' Report

*for the period ended 30 July 2018*

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### *Market Risk*

On 23 June 2016, the UK electorate voted to discontinue its membership of the EU. Until there is further clarity regarding the terms of exit, management are not able to assess the impact on the Company or what the wider regulatory and legal consequences of the UK leaving the EU would be on the Company.

The market further continues to develop, and consumer awareness is ever increasing. The management regularly assess the market to ensure that the Company is best positioned to mitigate any perceived threats and take advantage of new opportunities as the market grows.

The risk posed by Brexit is considered low as our customer base is located wholly in the UK, however Brexit could impact on the supply and availability of doctors, as there is a proportion of them who are non UK nationals.

### *Other Risk*

Management regularly monitor and discuss other risks and uncertainties within the business including supply chain, competition, regulatory and economic uncertainty.

Operating in a highly competitive sector there is the risk that the market share may be lost to fellow operators. The company does however, increasingly invest in marketing and technology to support the expansion of the product offering and the Directors remain confident that the Company is positioned well to compete in the digital healthcare market.

### *Going Concern*

The Company meets its day to day working capital requirements through existing cash resources. On the basis of the cash flow projections the directors have, as is natural for high-growth early stage businesses, identified a material uncertainty in the Company's ability to meet its liabilities as they fall due for a period of at least 12 months from the date of the financial statements without the raising of additional capital.

The Company has reduced its expenditure and an interim funding raise of £6.4m has been agreed with the funds received in three tranches. Tranche one, for the sum of £3m having been received on 25 and 26 November 2019. Tranches two (£2.6m) and three (£0.8m) are expected to be received in February 2020 and April 2020 respectively. Tranche 2 and 3 are dependent upon HMRC advanced assurance being received, and the investors being satisfied, that the share rank as qualifying VCT investments and EIS funds or that requirement being waived by the investors.

The interim funding raise coupled with a reduction in discretionary expenditure will provide the business with a sufficient cash runway, based on current forecasts, to June 2020 and accordingly a further funding raise will need to occur before that date.

The forecasts used include anticipated income that, as at the date of signing these financial statements, is not yet guaranteed. Whilst the directors are confident that the income forecasts present a reasonable expectation of successfully converting current opportunities, it is recognised, that there remains inevitable uncertainty until the contracts are signed, on whether such income will arise, its final value and/or, its timing. This creates a further uncertainty on the company being able to manage its liquidity within the existing facilities.

The directors have already started the preparations for the main funding raise, for which a number of the existing shareholders have registered an interest, and having already appointed our chosen corporate finance partner are confident that it will be completed within the expected timescales. This coupled with the continued support

## Directors' Report

*for the period ended 30 July 2018*

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of existing shareholders satisfies the directors that it is appropriate to prepare the financial statements of the Company on a going concern basis.

As a result of the dependency of the receipt of the funds from tranche 2 and tranche 3 of the interim fund raise in accordance with the timescale set out above, and a further main fund raise a material uncertainty exists that casts significant doubt as to the Company's ability to continue as a going concern.

In the event that the ongoing refinancing is not completed and /or if investors do not provide the required financial support, the going concern basis might not be valid. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. In such circumstances adjustments may need to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify non-current and current assets. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

### Dividends

No dividends will be distributed for the period ended 30 July 2018 (2017: £nil).

### Political Contributions

The Company made no political donations or incurred any political expenditure during the period (2017: £nil).

### Charitable Donations

The Company made no charitable donations during the period (2017: £nil).

### Subsequent Events

In April 2019 the Company issued 62,956 Series B shares of £0.0001 each for a total consideration of £775,618 as stage 4 of its B round funding, all of which was received as cash. This drawdown occurred following staging agreed and assured with HMRC as part of the issue of new series B share capital in June 2017.

In April and May 2019 the Company issued 613,914 Series B shares of £0.0001 each for a total consideration of £4,954,205 as an additional round of its series B funding, all of which was received as cash. (2017: None).

In November 2019 the Company issued 371,894 Series C shares of £0.0001 each for a total consideration of £2,999,999 as stage 1 of its C round funding, all of which was received as cash. The articles of association of the Company were also amended to allow the new class of share.

### Directors Liabilities

The Directors qualify for third party indemnity insurance in place at the date of the financial report and the signing of the financial statements.

### Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

## Directors' Report

*for the period ended 30 July 2018*

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Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Disclosure of Information to the Auditors

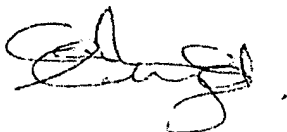
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware.
- Each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

Ernst & Young LLP were re-appointed as auditors to the Company. Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board



C Ackroyd, Director

26 November 2019

# Independent Auditor's Report

*to the members of Push Dr Limited*

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUSH DR LIMITED FOR THE PERIOD ENDED 30 JULY 2018

### Opinion

We have audited the financial statements of Push Dr Limited (the 'company') for the period ended 30 July 2018 which comprise the Profit and Loss Account, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the company's affairs as at 30 July 2018 and of its loss for the period then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Use of our Report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of £12,236,529 during the period ended 30 July 2018 and has forecast that its current cash resources are not sufficient to meet its liabilities as they fall due over the next twelve months, unless additional investment funds are raised. As stated in Note 1, these events or conditions, along with other matters as set forth in



# Independent Auditor's Report

*to the members of Push Dr Limited*

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Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinions on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- ▶ the directors' report has been prepared in accordance with applicable legal requirements.

## Matters on Which We are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

# Independent Auditor's Report

*to the members of Push Dr Limited*

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- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

*Ernst & Young LLP*

*Tehseen Ali (Senior statutory auditor)*

*for and on behalf of Ernst & Young LLP, Statutory Auditor*

*Manchester*

27/11/2019

## Profit and Loss Account

for the period ended 30 July 2018

	Note	2018 £	2017 £
Turnover	2	1,712,894	491,638
Cost of sales		(1,055,339)	(856,237)
<b>Gross profit/(loss)</b>		<b>657,555</b>	<b>(364,599)</b>
Administrative expenses		(12,928,207)	(5,366,363)
Other operating income		-	-
<b>Operating loss</b>	3	<b>(12,270,652)</b>	<b>(5,730,962)</b>
Interest receivable		445	557
<b>Loss on ordinary activities before taxation</b>		<b>(12,270,207)</b>	<b>(5,730,405)</b>
Tax	6	33,678	-
<b>Loss for the financial period</b>		<b>(12,236,529)</b>	<b>(5,730,405)</b>

All amounts are derived from continuing operations.

There were no items of other comprehensive income in 2018 or 2017.

The notes on page 12 to 23 form part of these financial statements.

Gross bookings are the gross merchandise value of transactions on the platform prior to service payments for the principal suppliers. The gross bookings amounted to £3,107,568 (2017: £1,279,830).

## Statement of Changes in Equity

for the period ended 30 July 2018

	<i>Called up Share Capital</i>	<i>Share Premium</i>	<i>Profit and Loss Account</i>	<i>Total Equity</i>
	£	£	£	£
At 1 August 2016	240	3,554,374	(2,542,698)	1,011,916
Loss for the period	-	-	(5,730,405)	(5,730,405)
Issue of share capital	187	15,325,642	-	15,325,829
<b>At 31 July 2017</b>	<b>427</b>	<b>18,880,016</b>	<b>(8,273,103)</b>	<b>10,607,340</b>
Loss for the period	-	-	(12,236,529)	(12,236,529)
Issue of share capital	68	8,320,564	-	8,320,632
<b>At 30 July 2018</b>	<b>495</b>	<b>27,200,580</b>	<b>(20,509,632)</b>	<b>6,691,443</b>

The notes on page 12 to 23 form part of these financial statements.

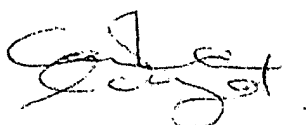
## Statement of Financial Position

as at 30 July 2018

	Note	2018 £	2017 £
<b>Fixed Assets</b>			
Tangible assets	7	1,030,052	116,644
Intangible assets	8	1,836,230	716,734
		<u>2,866,282</u>	<u>833,378</u>
<b>Current Assets</b>			
Debtors	9	659,843	303,212
Cash at bank and in hand		5,404,446	10,988,599
		<u>6,064,289</u>	<u>11,291,811</u>
Creditors: amounts falling due within one year	10	(2,239,128)	(1,517,849)
<b>Net Current Assets</b>		<u>3,825,161</u>	<u>9,773,962</u>
<b>Net Assets</b>		<u>6,691,443</u>	<u>10,607,340</u>
<b>Capital and Reserves</b>			
Called up share capital	11,12	495	427
Share premium	12	27,200,580	18,880,016
Profit and loss account - deficit	12	(20,509,632)	(8,273,103)
		<u>6,691,443</u>	<u>10,607,340</u>

The notes on page 12 to 23 form part of these financial statements.

The financial statements on pages 9 to 23 were approved by the board of directors on 26 November 2019 and signed on its behalf by:



C Ackroyd  
Director  
26 November 2019

# Notes to the Financial Statements

as at 30 July 2018

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## 1. Accounting Policies

### 1.1 Company Information

Push Dr Limited is a private company limited by shares, which is incorporated and domiciled in the United Kingdom. The registered address of the company is 1<sup>st</sup> Floor, Arkwright House, Parsonage Gardens, Manchester, M3 2LF. The principal activity of the company is connecting customers to digital primary healthcare services through the Company's network of practitioners.

### 1.2 Basis of Preparation of Financial Statements

The financial statements have been prepared in compliance with FRS 102 Section 1A small entities as it applies to the financial statements for the period ended 30 July 2018. The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The financial statements of Push Dr Limited were authorised for issue by the Board of Directors on 11 November 2019. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound (£).

As shown on page 9, the company made a loss for the period of £12,236,529 (2017: Loss of £5,730,405).

### 1.3 Going Concern

#### Going Concern

The Company meets its day to day working capital requirements through existing cash resources. On the basis of the cash flow projections the directors have, as is natural for high-growth early stage businesses, identified a material uncertainty in the Company's ability to meet its liabilities as they fall due for a period of at least 12 months from the date of the financial statements without the raising of additional capital.

The Company has reduced its expenditure and an interim funding raise of £6.4m has been agreed with the funds received in three tranches. Tranche one, for the sum of £3m having been received on 25 and 26 November 2019. Tranches two (£2.6m) and three (£0.8m) are expected to be received in February 2020 and April 2020 respectively. Tranche 2 and 3 are dependent upon HMRC advanced assurance being received, and the investors being satisfied, that the share rank as qualifying VCT investments and EIS funds or that requirement being waived by the investors.

The interim funding raise coupled with a reduction in discretionary expenditure will provide the business with a sufficient cash runway, based on current forecasts, to June 2020 and accordingly a further funding raise will need to occur before that date.

The forecasts used include anticipated income that, as at the date of signing these financial statements, is not yet guaranteed. Whilst the directors are confident that the income forecasts present a reasonable expectation of successfully converting current opportunities, it is recognised, that there remains inevitable uncertainty until the contracts are signed, on whether such income will arise, its final value and/or, its timing. This creates a further uncertainty on the company being able to manage its liquidity within the existing facilities.

# Notes to the Financial Statements

as at 30 July 2018

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The directors have already started the preparations for the main funding raise, for which a number of the existing shareholders have registered an interest, and having already appointed our chosen corporate finance partner are confident that it will be completed within the expected timescales. This coupled with the continued support of existing shareholders satisfies the directors that it is appropriate to prepare the financial statements of the Company on a going concern basis.

As a result of the dependency of the receipt of the funds from tranche 2 and tranche 3 of the interim fund raise in accordance with the timescale set out above, and a further main fund raise a material uncertainty exists that casts significant doubt as to the Company's ability to continue as a going concern.

In the event that the ongoing refinancing is not completed and /or if investors do not provide the required financial support, the going concern basis might not be valid. Therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. In such circumstances adjustments may need to be made to reduce the value of the assets to their recoverable amounts, to provide for any further liabilities which may arise and to reclassify non-current and current assets. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

## 1.4 Judgement and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the period-end date and the amounts reported for revenues and expenses during the period.

However, the nature of estimation means that actual outcomes could differ from those estimates. With the exception of the going concern assumption, the following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

### Revenue Recognition

Revenue, which excludes value added tax, represents the gross inflow of economic benefit from the Company's operating activities. Revenue is measured at the fair value of the consideration received or receivable. Selecting the appropriate timing for, and amount of revenue to be recognised requires judgement. The key area of judgement within revenue recognition is in relation to membership subscriptions and corporate contracts as detailed further in note 1.6.

### Development Expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits. Development is reviewed annually for impairment as detailed in the policy given below.

## Notes to the Financial Statements

as at 30 July 2018

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### Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

### 1.5 Basic Financial Instruments

#### *Trade and other debtors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Debtors are assessed for impairment at each period end date.

#### *Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

#### *Cash at bank and in hand*

Cash at bank and in hand comprise cash balances.

### 1.6 Turnover

Turnover represents the amount derived from the provision of services which fall within the Company's continuing ordinary activities and is stated net of value added tax and trade discounts. Revenue is recognised when services are provided. Turnover is relating to revenue from the rendering of services.

#### *Rendering of Services*

Turnover relates to income received from introducing and connecting primary healthcare patients with general practitioners and is recognised at the time a connection occurs. Some services are paid annually in advance. This income is deferred and recognised across the appropriate period of service. Memberships subscriptions and corporate contracts are recognised over their respective terms.

### 1.7 Tangible Assets and Depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset on a systematic basis over its estimated useful life. The following useful economic lives are applied:

Fixture and fittings	-	4 years
Computer equipment	-	3 years
Software	-	1 year



## Notes to the Financial Statements

as at 30 July 2018

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### 1.8 Intangible assets

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight-line basis over the anticipated life of the benefits arising from the completed products or project.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The following useful economic lives are applied:

Platform development cost (see 1.9 below)	- 1 to 5 years
Trademarks	- 3 years

### 1.9 Research and Development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit.

Pure and applied research expenditure may not be capitalised and is written off in the year of expenditure through the profit and loss account.

### 1.10 Impairment of Tangible and Intangible Assets

At each period end, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

An impairment is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

## Notes to the Financial Statements

as at 30 July 2018

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An impairment loss for an individual asset or cash generating unit shall be reversed if there has been a change in estimates used to determine the recoverable amount since the last impairment loss was recognised and is only reversed to the extent that the asset's carrying value does not exceed the carrying value amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 1.11 Operating Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

### 1.12 Income Taxes

#### *Current Income Tax*

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 6.

#### *Deferred Taxation*

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statement and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

### 1.13 Foreign Currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the period-end date are retranslated to the Company's functional currency at the foreign exchange rate ruling at that date.

Exchange gains and losses are taken to the profit and loss account in arriving at the operating profit.

## Notes to the Financial Statements

as at 30 July 2018

### 1.14 Pension

The Company operates a defined contribution pension scheme. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

### 2. Turnover

Turnover represents the amount derived from the provision of services which fall within the Company's continuing ordinary activities and is stated net of value added tax and trade discounts. Turnover of the company is all attributable within the United Kingdom.

### 3. Operating Loss

This is stated after charging / (crediting):

	2018 £	2017 £
Depreciation of tangible assets	162,788	25,417
Amortisation charge	334,671	109,991
Foreign exchange differences	(10,825)	(458)
Operating lease rentals	313,409	45,321
Research and development expenditure written off	-	-
Auditors' remuneration (see note 4)	49,560	17,450

### 4. Auditors Remuneration

The remuneration of the auditors is further analysed as follows:

	2018 £	2017 £
Audit fees	25,000	15,000
Corporate tax fees	3,060	2,450
Other non-audit fees	21,500	-
	<u>49,560</u>	<u>17,450</u>

### 5. Employee Costs and Directors' Remuneration

#### Employee costs

	2018 £	2017 £
Wages and salaries	3,992,094	1,621,003
Social security costs	434,898	171,174
Pension costs (Note 13)	52,596	-
	<u>4,479,588</u>	<u>1,792,177</u>

The average number of employees during the period was 100 (2017: 47)

The aggregate amount of employee costs included above that have been capitalised within platform development costs was £1,454,167 (2017: £543,333).

## Notes to the Financial Statements

as at 30 July 2018

The costs incurred in respect of the Directors, were as follows:

### *Directors' remuneration*

	2018 £	2017 £
Aggregate remuneration	<u>339,227</u>	<u>260,000</u>

Fees relating to services provided by directors that are not directly employed by the Company totalling £60,000 (2017: £30,000) were paid to the companies they represent during the period.

## 6. Taxation

### *Current tax*

	2018 £	2017 £
Current tax on income for the period	-	-
Adjustments in respect of prior periods	<u>33,678</u>	<u>-</u>
	<u>33,678</u>	<u>-</u>

### *Analysis of current tax*

	2018 £	2017 £
Loss for the period	(12,270,207)	(5,730,405)
Total tax expense	-	-
Loss excluding tax	<u>(12,270,207)</u>	<u>(5,730,405)</u>
Tax using the UK corporation tax rate of 19% (2017: 18.67%)	(2,331,339)	(1,112,171)
Expenses not deductible for tax purposes	139,865	14,797
Capital allowance for period in excess of depreciation	-	-
Adjustment to tax charge in respect of prior periods	-	-
Adjustment in respect of research and development tax credits	33,678	-
Deferred tax asset not recognised	<u>2,191,474</u>	<u>1,097,374</u>
Tax (charge) / credit for the period	<u>33,678</u>	<u>-</u>

The Company has unrelieved tax losses of £25,765,226 which can be recovered against taxable profits in the future.

A deferred tax asset has not been recognised at this time due to the uncertainty and timing of suitable tax profits in the future. The total unrecognised deferred tax asset as at 30 July 2018 was £4,380,088 (2017: £1,406,428).

## Notes to the Financial Statements

as at 30 July 2018

A reduction in the UK corporation tax rate from 20% to 19% was enacted on 26 October 2015, effective 1 April 2017. Following further budget announcements, the rate will fall to 17% in 2020. This will reduce the Company's future current tax charge accordingly. The deferred tax not recognised at the period-end date has been calculated based on these rates.

### 7. Tangible assets

	<i>Fixture and fittings</i>	<i>Computer equipment</i>	<i>Software</i>	<i>Total</i>
	£	£	£	£
<b>Cost:</b>				
At 1 <sup>st</sup> August 2017	38,633	101,521	6,602	146,756
Additions	854,420	206,808	14,968	1,076,196
Disposals	-	-	-	-
At 30 July 2018	<u>893,053</u>	<u>308,329</u>	<u>21,570</u>	<u>1,222,952</u>
<b>Depreciation</b>				
At 1 <sup>st</sup> August 2017	(10,907)	(17,578)	(1,627)	(30,112)
Provided during the period	(83,990)	(70,926)	(7,872)	(162,788)
Impairment loss	-	-	-	-
Disposals	-	-	-	-
At 30 July 2018	<u>(94,897)</u>	<u>(88,504)</u>	<u>(9,499)</u>	<u>(192,900)</u>
<b>Net Book Value</b>				
At 30 July 2018	<u>798,156</u>	<u>219,825</u>	<u>12,071</u>	<u>1,030,052</u>
At 31 July 2017	<u>27,726</u>	<u>83,943</u>	<u>4,975</u>	<u>116,644</u>

## Notes to the Financial Statements

as at 30 July 2018

### 8. Intangible Assets

	<i>Platform Development costs</i>	<i>Trademarks</i>	<i>Total</i>
	£	£	£
<b>Cost:</b>			
At 1 <sup>st</sup> August 2017	811,381	37,112	848,493
Additions during the period	1,454,167	-	1,454,167
<b>At 30 July 2018</b>	<b>2,265,548</b>	<b>37,112</b>	<b>2,302,660</b>
<b>Amortisation</b>			
At 1 <sup>st</sup> August 2017	(126,325)	(5,434)	(131,759)
Provided during the period	(322,300)	(12,371)	(334,671)
<b>At 30 July 2018</b>	<b>(448,625)</b>	<b>(17,805)</b>	<b>(466,430)</b>
<b>Net Book Value</b>			
<b>At 30 July 2018</b>	<b>1,816,923</b>	<b>19,307</b>	<b>1,836,230</b>
At 31 July 2017	685,056	31,678	716,734

### 9. Debtors

	<i>2018</i>	<i>2017</i>
	£	£
Trade debtors	192,202	108,528
Other debtors	-	-
Prepayments and accrued income	467,641	194,684
	<b>659,843</b>	<b>303,212</b>

### 10. Creditors: Amounts Falling Due Within One Year

	<i>2018</i>	<i>2017</i>
	£	£
Trade creditors	848,756	826,076
Corporation tax	-	-
Social security and other taxes	151,145	71,474
Other creditors	122,928	19,166
Accruals and deferred income	1,116,299	601,133
	<b>2,239,128</b>	<b>1,517,849</b>

## Notes to the Financial Statements

as at 30 July 2018

### 11. Allocated and Issued Share Capital

*Allotted, called up and fully paid*

	<i>2018</i> <i>£</i>	<i>2017</i> <i>£</i>
1,457,300 (2017: 1,457,300) Ordinary shares of £0.0001 (2017: £0.0001) each	145.73	145.73
1,889,200 (2017: 1,889,200) - Series A shares of £0.0001(2017: £0.0001) each	188.92	188.92
1,599,483 (2017: 924,107) - Series B shares of £0.0001 each	159.94	92.41
	<u>494.59</u>	<u>427.06</u>

On 25 January 2018 the Company issued 210,350 Series B shares of £0.0001 each at a premium of £12.32 per share. The consideration was received in cash.

On 28 March 2018 the Company issued 465,026 Series B shares of £0.0001 each at a premium of £12.32 per share. The consideration was received in cash.

The ordinary shares contain full voting rights, entitlement to dividend and capital distribution (including on winding up).

The Series A and Series B shares are entitled to one vote per share. Each share is entitled to *pari passu* to dividend payments and or any other distribution. Each share is entitled to participate in a distribution from a winding up pro-rata to the amounts (including share premium) paid up on each share until each shareholder has received those amounts in full and thereafter pro-rata to the number of shares held.

### 12. Reserves

	<i>Called up Share Capital £</i>	<i>Share Premium Account £</i>	<i>Profit and loss £</i>
At 1 August 2017	427	18,880,016	(8,273,103)
Shares issued during the period	68	-	-
Premium on shares issued during the period	-	8,320,564	-
Loss during the period	-	-	(12,236,529)
At 30 July 2018	<u>495</u>	<u>27,200,580</u>	<u>(20,509,632)</u>

### 13. Pension

The Company operates a defined contribution scheme. The pension cost charge represents contributions payable by the Company to the fund. This scheme came into effect on 1<sup>st</sup> August 2017. As such during the financial period the charge to the Company amounted to £52,596 (2017: £nil).

## Notes to the Financial Statements

as at 30 July 2018

### 14. Contingent Liabilities

As at 30 July 2018 and 31 July 2017, the directors have confirmed that the Company had no contingent liabilities.

### 15. Guarantees and other financial commitments

As at 30 July 2018 and 31 July 2017 the Company had offered no guarantees.

The Company has future minimum lease payments under non-cancellable operating leases for buildings as follows:

	2018 £	2017 £
Not later than 1 year	120,917	2,098
Later than 1 year and not later than 5 years	1,351,127	1,390,372
Later than 5 years	-	-
	<u>1,472,044</u>	<u>1,392,470</u>

The Company had future commitments for improvements to leased property at Arkwright House, Manchester totalling £32,789. Works were completed by 30 September 2018.

### 16. Directors Advances, Credit and Guarantees

As at 30 July 2018 and 31 July 2017 the Company had not entered into any loans, credit transactions and related guarantees and security with its directors or persons connected with its directors.

### 17. Subsequent Events

In April 2019 the Company issued 62,956 Series B shares of £0.0001 each for a total consideration of £775,618 as stage 4 of its B round funding, all of which was received as cash. This drawdown occurred following staging agreed and assured with HMRC as part of the issue of new series B share capital in June 2017.

In April and May 2019 the Company issued 613,914 Series B shares of £0.0001 each for a total consideration of £4,954,205 as an additional round of its series B funding, all of which was received as cash.

In November 2019 the Company issued 371,894 Series C shares of £0.0001 each for a total consideration of £2,999,999 as stage 1 of its C round funding, all of which was received as cash. The articles of association of the Company were also amended to allow the new class of share.



## Notes to the Financial Statements

*as at 30 July 2018*

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### 18. Ultimate Controlling Party

The company has no ultimate controlling party as no individual shareholder holds a voting majority of the issued share capital of the company.

The company has no ultimate controlling party as no individual shareholder holds a voting majority of the issued share capital of the company.

### 19. Related Party Transactions

There were no transactions between the company and any related parties during the period (2017: £nil).